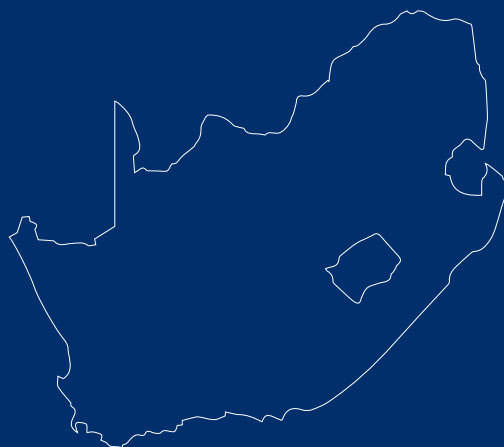


THE TIME IS NOW TO ACCELERATE
WOMEN'S PUBLIC PROCUREMENT

Snapshot: South Africa

SOLVING IMBALANCES IN ECONOMIC OPPORTUNITY

South Africa has an intricate corporate social accountability plan based on points. The plan affects numerous inputs and outcomes with women-owned businesses being one component. Preferential public procurement is the main feature, with an emphasis on generating public procurement opportunities for multiple types of disadvantaged businesses, especially in relation to race.



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The South Africa snapshot was developed utilizing the Business in South Africa website and text adapted with permission from International Trade Centre.

Overview¹

The Broad-based Black Economic Empowerment program (B-BBEE), established in 2003, is the centerpiece of South Africa's socioeconomic empowerment of their communities of color. The program seeks not only to redress imbalances of economic opportunity and historic patterns of discrimination, but also to create a practical and actionable pathway to inclusive economic growth. Under the B-BBEE guidelines, 1 percent of net profit before tax should be spent on social development, whereby companies are encouraged to have at least 75 percent non-white beneficiaries.

¹ "Find a Business Partner that shares your values, entrepreneurial spirit," Doing business in South Africa, Business in South Africa, n.d., www.businessinsa.com.

The Time Is Now To Accelerate Women's Public Procurement is a 23-part toolbox and call to action series created by USAID.



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The B-BBEE stimulates engagement with this underserved economic sector with strong incentives for companies to give back to the community through Corporate Social Investment. The platform uses a point ranking system across seven elements:

- » Ownership
- » Management control
- » Employment equity
- » Skills development
- » Preferential procurement
- » Enterprise development
- » Socioeconomic development

The first phase of the codes encourages all entities, public and private, to implement proper B-BBEE initiatives through the issuing of licenses, concessions, sale of assets and preferential procurement. Some commodities are set-asides for women-owned businesses, youth and people with disabilities. The B-BBEE point system is complex and dynamic, so be sure to always check for current information.

Implementation²

The Central Supplier Database (CSD), located at the National Treasury, is being used by all government departments (national, provincial, and municipal) for public procurement. If a business (service provider) is not registered on the CSD, it cannot do business with the government; it is disqualified from opportunities to procure from the government. It is therefore imperative for companies that want to supply to the government to be registered, through the established vetting process and qualification criteria for CSD registration. The CSD is not gender-disaggregated, but reporting is available to indicate the percentage of ownership by women, disabled individuals, and youth, by province, sector, and commodity.

Information about the application process for public tenders is available online on the government tender bulletin platform as well as on the various government departments' websites. These bulletins are also available offline at the government printers. Once registered on the portal, the person will receive online notifications periodically.

According to Regulation 4 of the Public Finance Management Act, preference will be given to women-owned businesses or qualifying small enterprises and exempted micro enterprises with 51 percent women ownership. Market analysis is used to inform the tenders that fall under this regulation. The same applies as well to Subcontracting deals.

30%
Minimum percentage subcontracting that must be done with women-owned businesses

² The text in this section has been adapted with permission from the International Trade Centre *SheTrades Outlook*, Public Procurement.

Preferential schemes in place are the following:

- » Preferential points: allocated to women-owned businesses
- » Reservations: some commodities are set-asides for women-owned businesses / youth / people with disabilities
- » Subcontracting plans: at least 30 percent should be allocated to women-owned businesses
- » Goal/Target: government departments procure a percent of their spending (on goods and services) from women-owned businesses, with more points for black women and previously disadvantaged people

**The TIME IS NOW
for Women's Public
Procurement. Read how
the stage is set for action!**

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